

## **SATS' CHINA GROUND HANDLING JV COMPLETES EXPANSION INTO EIGHT AIRPORTS**

**Singapore, 20 February 2008** – Singapore Airport Terminal Services Limited (SATS) announced today that Beijing Aviation Ground Services Co Ltd (BGS), its 40/60 ground handling joint venture (JV) with Capital Airports Holding Company (CAH), has completed the expansion into eight airports in China.

This follows the successful registration and formation of eight new ground handling joint ventures by BGS and the respective Chinese airport companies in Tianjin, Nanchang, Wuhan, Chongqing, Guiyang, Changchun, Hohhot and Harbin.

The latest development is in relation to an earlier announcement made by SATS on 27 December 2006, outlining BGS' plans to establish its presence in these Chinese airports which are part of the CAH's network.

Following further discussions between SATS and CAH, both partners decided that instead of acquiring the ground handling assets and businesses from the eight Chinese airport companies, BGS would form new ground handling JV companies with each of them and hold a 40 percent equity stake in these new JVs. As a result of the change in BGS' expansion model, SATS need not inject additional capital into BGS and both SATS and CAH will discuss the JV term of BGS, ending 2014, at a later date.

In relation to the same announcement made on 27 December 2006, the expansion of Beijing Airport Inflight Kitchen Ltd (BAIK) – SATS 40/60 inflight catering JV with CAH – to cover these eight Chinese airports has proceeded as planned.

Said Mr Clement Woon, President and Chief Executive Officer of SATS: "While it has taken both partners a year to finalise BGS' expansion model, we are extremely pleased to have made significant progress. We remain committed to growing our existing JVs and

deepening our reach in China with a presence in 13 airports. We are confident that our partnership with CAH will go from strength to strength.”

The change in BGS’ expansion is not expected to have any material impact on SATS’ earnings per share and net tangible assets per share for the current financial year ending 31 March 2008.

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### **About Singapore Airport Terminal Services Limited (SATS)**

The Singapore Airport Terminal Services (SATS) Group is the leading provider of integrated ground handling and airline catering services at Singapore Changi Airport. SATS’ network of ground handling and airline catering operations spans 18 overseas investments covering close to 40 airports in the Asia Pacific region. SATS’ services include airfreight handling, airline catering, passenger services, baggage handling, ramp handling, aviation security, airline linen laundry and processed food manufacturing. SATS, a subsidiary of Singapore Airlines Limited (SIA), has been listed on the Singapore Exchange since May 2000.

For more information on SATS, please visit [www.sats.com.sg](http://www.sats.com.sg)

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